

CITY OF COVINA

REQUEST FOR PROPOSALS (RFP)

FOR

CANNABIS RETAIL BUSINESS

OR

CANNABIS MICROBUSINESS

RFP 2023-0X

[CITY LOGO HERE]

PROPOSAL DEADLINE: Wednesday, December 20, 2023 – 2:00 PM.

CITY OF COVINA
CITY CLERK OFFICE
125 E. COLLEGE STREET
COVINA, CA 91723
ATTN: Evaluation Committee



CITY OF COVINA
CITY MANAGERS OFFICE
REQUEST FOR PROPOSAL FOR THE ESTABLISHMENT OF A
CANNABIS RETAIL BUSINESS OR CANNABIS MICROBUSINESS

INTRODUCTION

The City of Covina is requesting proposals from qualified individuals or companies to operate a cannabis business or a cannabis microbusiness within City limits. This RFP is being issued pursuant to the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act ("MAUCRSA"). The City may ultimately issue no more than three (3) Cannabis Business Permits (one per every 15,000 residents, with every fraction thereof rounded down), but may issue less at its sole discretion, per Covina Municipal Code Section 5.80.080 (codepublishing.com/CA/Covina/). The individuals or companies selected in connection with this RFP will then be moved forward into the formal Cannabis Business Permit and Conditional Use Permit ("CUP") phases of the process. The selection of individuals or companies to move forward into the formal Cannabis Business Permit and CUP phases of the process does not guarantee that those selected will be granted a Cannabis Business Permit or the required CUP.

Pursuant to Resolution CC 2023-XX "Process Standards Applicable to Commercial Cannabis Permit Applicants and Their Representatives", City Councilmembers will not respond to any correspondence, inquiries, messages or contacts ("Communications"), whether in person, by phone or by electronic means, regarding anything related to commercial cannabis permits and related zoning and land use issues from interested parties (including permit applicants or their representatives). Said Communications will be forwarded to appropriate City staff for response. As such, please direct all inquiries to cannabisprogram@covinaca.gov.

Those selected to move forward will be issued a Notice to Proceed (NTP) letter and will be responsible for securing a CUP and related entitlements (including the payment of related fees) through the standard City entitlement process as outlined in Chapter 17.84 (Cannabis Prohibitions and Regulations) of the City Municipal Code (codepublishing.com/CA/Covina/). The Applicant must file for a CUP Preapplication with the City's Community Development Department – Planning Division within 60 days from the date of the NTP. In addition, a successful applicant will be required to enter into a Development Agreement with the City (See Attachment 1). The Development Agreement must be fully executed and recorded prior to the issuance of a Cannabis Business Permit and commencement of any commercial cannabis business operation in the City.

In addition, the selected entities will be responsible for processing all required building permits, state licensing, and all other applicable requirements prior to start of business operations. Prior to the commencement of any cannabis retail business, or cannabis microbusiness operation within the City as the result of this RFP, the physical site conditions, improvements, and all related representations included in the application are subject to verification by the City Manager and/or his designee and the Police Chief and/or his designee. Upon this final inspection and approval, the Cannabis Business Permit will be issued

and be valid for twelve (12) months from the date of issuance per Covina Municipal Code Section 5.80.120 (codepublishing.com/CA/Covina/).

The City reserves the right to reject all proposals with or without cause per Section 5.80.090. The successful candidates chosen through the RFP process are not guaranteed the required Cannabis Business Permit, the required CUP, or any other required license or permit(s) from the City, the State of California, or any other governing entity. Participation in this RFP process is at the sole risk of the participants.

BACKGROUND

In November 2016, California voters approved Proposition 64 by a 57% majority, which allows the adult use of cannabis and established regulations related to cultivation, manufacturing, testing and retail sales. As a part of these regulations, cities maintain the ability to regulate local businesses, enforce zoning rules, impose taxes and penalize unpermitted uses. State law further requires businesses in this industry to obtain a local permit prior to obtaining a State license.

In summer 2020, the Covina City Council requested an update on statewide regulations related to cannabis. This request was prompted by ongoing changes in the regulatory environment including the State's adoption of the MAUCRSA, coupled with the observation that a growing number of local agencies have decided to implement local programs. Following its discussion, the Council requested the creation of a Cannabis Ad-Hoc Committee ("Committee") comprised of two Councilmembers and staff from the City Manager's Office, City Attorney's Office, Police Department and Community Development Department to study the issue further.

Over the last two years, the City has engaged in an extensive analysis of the State's voter-approved legalization of cannabis products. This analysis has included a comprehensive review of laws, the study of other communities that have adopted local cannabis programs, an evaluation of potential public safety/public health impacts associated with cannabis and a robust community outreach component to engage the public on the topic.

In April 2022, the City Council reviewed a report prepared by the Committee that detailed the issues the Committee studied and offered recommendations for further consideration. Following discussion, the Council requested that a draft ordinance be prepared for further consideration. The Council also requested that staff conduct additional research with communities that have established local cannabis programs to evaluate public health and safety impacts resulting from their operations.

Pursuant to these efforts, on January 24, 2023 the Planning Commission recommended adoption to the City Council of the proposed amendments to Title 5 and Title 17 of the Municipal Code. Subsequent to that on February 21, 2023, the City Council adopted Ordinance 23-01 amending Title 5 (Business License and Regulations) and Title 17 (Zoning) of the Covina Municipal Code to allow the establishment and operation of cannabis retailers (delivery only and/or storefront sales) in the C-3 commercial zone (central business), C-3A commercial zone (regional or community shopping center), C-4 commercial zone (highway) and C-5 commercial zone (specified highway) and cannabis microbusinesses in the Light Manufacturing Zone in the City.

SCOPE OF SERVICES

This is a Request for Proposal to operate a cannabis retail business or cannabis microbusiness within the City of Covina pursuant to the City Municipal Code and the MAUCRSA. This RFP is intended to screen

potential cannabis business operators within the City to achieve the highest quality cannabis business operations and associated developments that will strengthen and sustain the safety, character, desirability and stability of the community. Participation in the RFP process is a requirement to obtain a Cannabis Business Permit and CUP from the City of Covina. It is however, only the first step in the process and comes with no guarantees. The successful candidates chosen through the RFP process are not guaranteed the required Cannabis Business Permit, the required CUP, the required building permits, or any other required license or permit(s) from the State of California or any other governing entity. Participation in this RFP process is at the sole risk of the participants.

INQUIRIES and ADDENDA

For inquiries regarding this RFP, please contact the City's representative via electronic mail at cannabisprogram@covina.ca.gov. Proposers must e-mail inquiries no later than 2:00 p.m. on **Monday, October 23, 2023**. Inquiries received after the specified date and time will not be answered.

The City will issue any revisions to this RFP as addenda and will distribute addenda to all potential proposers by posting addenda on the City's website www.covina.ca.gov/cannabisprogram. Proposers are responsible for acknowledging receipt of all addenda in its Proposal. Therefore, each proposer should reference the City's website to verify that he or she has received all addenda issued, if any. The City's issuance of a written and posted addendum is the only official method whereby the City will interpret, clarify, or provide additional information concerning this RFP. No oral revisions to any provision in this RFP shall be binding.

SELECTION SCHEDULE

Phases I/II – Open to All Applicants

(All deadlines may be subject to change. Any changes will be announced via the City's website at Covina.ca.gov/cannabisprogram)

RFP Release	Thursday, September 28, 2023
Pre-Proposal Meeting*	Thursday, October 5, 2023 11:00 a.m. Covina City Council Chambers, 125 E. College Avenue Covina CA 91723
Deadline for Questions	Monday, November 6, 2023 by 2:00 p.m. Must be submitted in writing and either emailed to cannabisprogram@covina.ca.gov or hand delivered to the City Clerk's Office prior to deadline.
Response to Questions/ Issue Addenda, if necessary	on or about Wednesday, November 22, 2023
Deadline to Request Zoning Verification	Thursday, November 30, 2023 by 2:00 p.m. Must be received by City Clerk's Office Covina City Hall, 125 E. College St. Covina CA 91723
Deadline for Proposals	Wednesday, December 20, 2023 by 2:00 p.m. Must be received by City Clerk's Office Covina City Hall, 125 E. College St. Covina CA 91723
Release Phase I/II Scores	Tentatively Scheduled for late January 2024 Schedule could be delayed depending on number of applicants

Phase III/IV – Open to Applicants Scoring 80% and Higher in Phases I/II

(All Dates are Tentative - Schedule could be delayed depending on number of applicants in Phase I/II)

Interviews	February 2024
Release Phase III Scores	March 2024
City Council Consideration	April 2024
Notice to Proceed	TBD
Deadline to Submit Preapplication for CUP	60 days following receipt of Notice to Proceed
Deadline to Submit BL/CUP Applications	TBD**
Development Agreement	TBD***
Business License	TBD****

*Pre-Proposal Meeting is mandatory and will take place in City Council Chambers at City Hall.

** CUP issuance subject to Planning Commission recommendation and City Council approval after requisite public hearings

***A Development Agreement between the City and Applicant must be executed and recorded prior to any commercial business operations (see Attachment 1).

***Business License will only be issued after a CUP has been obtained by the Applicant, a Development Agreement with the City has been executed, and final approval of site facilities by City.

APPLICATION PHASES

The City of Covina's Request for Proposals will consist of several phases as follows:

Phases I/II

Interested applicants may submit proposals for a Cannabis Business Permit. Applicants are required to obtain the following and submit with their proposal, prior to the submittal deadline on December 20, 2023 at 2 p.m.:

Cannabis Zoning Verification

Applicants must submit a Cannabis Zoning Verification Form (Attachment 2) to the City Clerk's Office, confirming that the proposed business location for the application is located in an acceptable zoning location and outside of the established sensitive use buffers. The form will be accepted only if applicant provides proof of property site control (signed and notarized purchase agreement, lease agreement, letter of intent to lease or proof of ownership). Applicants must submit a Cannabis Zoning Verification Form no later than November 30, 2023 at 2 p.m. to the City Clerk's office to allow sufficient review time prior to the application deadline. Any Cannabis Zoning Verification Forms submitted after November 30, 2023 at 2 p.m. shall not be processed.

Background Check

All business owners must complete a Live Scan background check prior to the application deadline as further described in Section 2. An "Owner" means any of the following: a person with an aggregate ownership interest of 20 percent or more in the cannabis business, unless the interest is solely a security,

lien or encumbrance; or an individual who manages, directs, or controls the operations of the commercial cannabis business, including but not limited to:

1. A member of the board of directors of a nonprofit.
2. A general partner of a cannabis business that is organized as a partnership.
3. A nonmember manager or manager of a cannabis business that is organized as a limited liability company.
4. The trustee(s) and all persons who have control of the trust and/or the cannabis business that is held in trust.
5. An individual with the authority to provide strategic direction and oversight for the overall operations of the commercial cannabis business, such as the chief executive officer, president or their equivalent, or an officer, director, vice president, general manager or their equivalent.
6. An individual with the authority to execute contracts on behalf of the cannabis business.
7. When an entity is an owner in a cannabis business, all entities and individuals with a financial interest in the entity shall be disclosed to the city and may be considered owners of the cannabis business. For example, this includes all entities in a multi-layer business structure, as well as the chief executive officer, members of the board of directors, partners, trustees and all persons who have control of a trust and managing members or nonmember managers of the entity. Each entity disclosed as having a financial interest must disclose the identities of persons holding financial interests until only individuals remain.

Letter of Intent and Acknowledgements

Applicants must submit a Letter of Intent and Acknowledgements, in the form attached to this RFP (Attachment 3) and further described below in Section 1. This letter acknowledges an applicant's understanding that this RFP is not binding, may not result in the award of a Cannabis Business Permit in the City of Covina and that the City, in its sole discretion may cancel the RFP process at any time. Further, the letter acknowledges several provisions related to the City's local commercial cannabis zoning code, operating agreements and land use entitlements, among others.

Payment of Fees

Applicant must pay fees listed in the City fee schedule for Phases I/II of the Local Commercial Cannabis Permit RFP Program. Please note that background check fees may vary by applicant, depending on the number of proposed business owners in the business entity.

Proposal Submittal and Review

Applicant proposals will be reviewed for completeness and responsiveness to the RFP document. Proposals will be first screened qualitatively, on a pass/fail basis under the following categories:

- Payment of Application Fees
- Completion of Zoning Verification and Evidence of Property Site Control
- Completion of Background Checks for Each Listed Owner
- Applicant provided three (3) hard copies and one electronic copy on a flash drive of proposal.

- Proposal does not exceed 150 pages, including financial documents, spreadsheets, etc. (not including live scan/background check information).
- Proposal is written in size 12 font.
- Completion of Letter of Intent and Acknowledgements by Each Listed Owner

Following the qualitative review to ensure responsiveness, proposals that passed will be evaluated on a technical basis according to the following criteria:

- Qualifications – 500 points (Section 3 below)
 - Experience – 250 points
 - Industry Knowledge – 100 points
 - Ownership Team – 50 points
 - Claims/Litigation History – 100 points
- Business Plan - 400 points (Section 4 below)
 - Operations Protocols – 100 points
 - Product Offering/Controls – 40 points
 - Market Assessment – 70 points
 - Financial Plan/Funding – 70 points
 - Records Software – 30 points
 - Track/Trace – 10 points
 - State Testing Regulations – 20 points
 - Employee Training – 20 points
 - Customer Education – 20 points
 - Implementation Timeline – 20 points
- Community Benefits – 200 points (Section 5 below)
- Facility Design/Neighborhood Compatibility - 400 points (Section 6 below)
 - Exterior Design – 100 points
 - Design Fit with Neighborhood – 100 points
 - Integration of Security Measures in Design – 100 points
 - Air Quality/Odor Control – 100 points
- Security Plan – 500 points (Section 7 below)
 - Experience -250 points
 - Safety Education – 25 points
 - Theft Reduction Measures – 20 points
 - Cash Management Plan – 50 points
 - Product Access Control – 20 points
 - Delivery Security Plan – 50 points
 - Security Plan – 35 points
 - Video Surveillance Plan – 25 points
 - Armored Vehicle Use – 15 points
 - Youth Consumption Plan – 10 points

Proposals will be evaluated by the City's third-party consultant/evaluator and a committee of City representatives according to the evaluation criteria listed above. Following this review, scores will be tabulated for each applicant. Proposals scoring 80% (1,600 points) or greater will be eligible to proceed to Phases III and IV of the RFP process. The City will send notification letters to applicants that are eligible to

proceed to Phases III/IV and applicants that are not eligible to proceed. Applicant scores may not be appealed.

Phase III

Applicants that score 80% (1,600 points) or greater in Phase III/IV must pay fees listed in the City fee schedule for Phases III/IV of the Local Commercial Cannabis Permit RFP Program, should they wish to continue in the process.

Following payment, eligible applicants will be assigned a date/time to conduct a presentation/interview. A notice of this interview will be provided at least twenty-one (21) calendar days prior to the interview.

The interview will be facilitated by the City's representative and consist of a presentation, followed by the applicant followed by questions from the City's review committee. The review committee shall consist of the City's third-party consultant/evaluator and City staff members appointed by the City Manager.

Following the interview, the City's third-party consultant/evaluator and City review committee will evaluate applicants using the evaluation criteria listed below:

- Responsiveness – 50 points
- Explanation of Qualifications – 50 points
- Explanation of Operations – 25 points
- Explanation of Security Plan – 25 points
- Explanation of Community Benefits – 25 points
- Explanation of Neighborhood Fit and Design – 25 points

Applicants will receive scores based on the categories set forth above. Proposals scoring ninety 90% (180 points) and above will be placed on a ranking list and advance to Phase IV. If no proposal scores ninety 90%, then the top three scorers will advance to Phase IV.

Phase IV

The City's review committee will present the ranking list to the City Council for consideration to issue a Notice to Proceed ("NTP") to award permits. Applicants will be provided the opportunity to address the City Council, should it desire to do so. Following the City Council's consideration of the ranking list, applicant testimony and public comments, the City Council, in its sole discretion, may choose to issue a NTP to any applicant receiving 90% (180 points) and above in Phase III (or any of the top three applicants if no applicants scored 180 points or above), or none of the applicants.

Following issuance of an NTP, the applicant will have sixty (60) days to file its preapplication for a CUP, with the payment of all related fees. No extension periods will be provided. Should the applicant not meet this requirement, the applicant shall forfeit its ability to submit a preapplication for a CUP or a CUP application and the City may issue a NTP to another eligible applicant.

Appeals

Appeals are limited and shall be governed by the provisions set forth in Covina Municipal Code Section 5.80.180.

PROPOSAL FORMAT

Proposals shall be concise, well-organized and demonstrate the applicant's qualifications and experience operating a cannabis business or similar retail operation or microbusiness. The proposal shall contain, at a minimum, all of the required materials identified below. Any additional supplemental materials that an applicant believes will further show their qualifications and abilities to operate their cannabis business successfully are highly encouraged and can be included as an Appendix in the proposal. Proposal narratives shall be written in 12-point font and not exceed 150 pages (including financial documents, spreadsheets and other attachments and appendices). The 150-page limit does not include live scan/background checks, labor peace agreement and leases.

Any provision of the application that the business entity would like to be treated as confidential should be marked as confidential. Marking of a particular section as confidential will not automatically preclude the release of that portion of the application to the public as the City must comply with the Public Records Act.

Section 1. Signed Letter of Intent & Acknowledgements

A signed copy of the City prepared Letter of Intent and Acknowledgements (Attachment 3) is required. If a proposed business operation includes more than one individual, each potential owner must submit a signed copy of the City prepared Letter of Intent and Acknowledgements as part of the submittal package. Failure to do so will automatically disqualify the application from consideration. This shall provide proof of the applicant(s) interest and acknowledgements of what will be required to operate a cannabis retail business or microbusiness in the City of Covina.

Section 2. Completed City of Covina Police Department Background Check(s)

All required owners/individuals for the Cannabis Business Permit and CUP are required to complete a State of California Request for Live Scan Service via a location of their choosing in compliance with Covina Municipal Code Section 5.80.060. Failure to do so will automatically disqualify the application from consideration.

Section 3. Qualifications of Owner(s)

3.1 Business Entity, Experience, Local Agency References

This section requires that the applicant describe the type of proposed business entity, including the disclosure of any parent and/or affiliated companies. Describe licenses filed with the California Secretary of State or other documents that confirm established business entity.

Previous, legal, cannabis retail experience is highly desirable. Provide a listing of a) Existing legal cannabis business locations in California and number of years in operation; b) Existing legal cannabis locations outside of California and number of years in operation; and c) Existing permits currently held without active business establishments, including circumstances related to not opening (recently awarded, in entitlement/plan check phase or other circumstances). Additionally, a maximum of three (3) public agency references where existing businesses currently operate.

3.2 Industry Knowledge

This section consists of a narrative describing the applicant's familiarity with the cannabis industry, its familiarity with the State of California cannabis licensing framework and its experience establishing cannabis

establishments with other local agencies. Discuss any familiarity with local government entitlement processes, planning/building plan check and permitting, to efficiently open a cannabis establishment. Include any industry-related affiliations and/or involvement that the applicant/entity has to benefit the cannabis industry.

3.3 Ownership Team

This section consists of a narrative outlining the listed owner(s) qualifications to own and operate a cannabis business. This shall include, but is not limited to, education, experience, skills, training, professional licenses, special certifications and any other information that may more fully show the competencies of the owners of the business. Resumes/Curriculum Vitae shall not exceed two (2) pages per owner and include a minimum of two (2) professional references per listed owner. Describe listed owners' involvement in the Covina community, including activities and affiliations and length of time involved.

3.4 Claims/Litigation History

Provide a listing of all open/closed filings, claims, bankruptcies judgements and liens associated with the business entity, its parent companies and/or affiliates since 2015. Identify any code enforcement actions against the business entity or any lawsuits/claims that a business entity has filed against a local agency or that a local agency has filed against the business entity.

Section 4. Business Plan

This section requires the preparation of a detailed "Operations and Management Plan" (O&M) for the proposed business. This document will guide all aspects of the business. The business will be required to operate in full conformance with O&M throughout the operational existence of the business. The City and applicant hereby acknowledge and understand that the O&M will be revised throughout the process and life of the business, but, it is highly encouraged that the applicant put as much forethought, care, and consideration into the O&M so that the City can properly evaluate the business operation.

The O&M must contain sections detailing how the business will function and address all aspects of running the business in regards to the categories listed below. It may also contain any additional information the owners feel is critical to the safe and successful operation of their business, and any items that may make theirs a more superior business format compared to others.

At a minimum, the O&M must contain the following information for both a cannabis retail operation and a cannabis microbusiness operation, in accordance with Title 5 and Title 17 requirements, whether expressly listed below, or not.

4.1 Operations Protocols

- O&M introduction;
- Operations Management: On-Site management/manager on duty; After hours management; 24/7 emergency contact;
- Operating Structure: Number of Employees; Organizational Chart, Employee Titles with Brief Description of Job Duties
- Business Operations: Hours of Operation; Opening and closing procedures; Customer check-in protocols; Process/location for receiving vendor deliveries during operating hours; Identify point of sale ("POS") system and locations of POS systems in business; Anticipated customer volumes and

adequate staffing to serve customers; Contingency plans for peak customer volumes and/or logistical activities (building maintenance, deliveries, etc.)

- Forms of Payment: List forms of payment (cash, electronic, credit, etc.) accepted for purchase of products. Describe cash handling procedures. Provide approximate percentage of transactions that will be made using other forms of payment than cash
- Delivery: Delivery service procedures and vehicles used in deliveries; screening protocols for delivery drivers and risk management guidelines for delivery services; Loading and unloading of delivery trucks
- Separation of floor areas by type (i.e. customer screening area, sales area, storage room, office, grow room, etc.); Methods of separation; Regulations for the customer check-in area/lounge, sales area, storage areas, grow areas, parking lot area; ATM machine locations and regulations;
- On-Site money security measures
- Emergency procedures
- Site Management; Site maintenance including parking lot, landscaping, lighting, fences/gates, trash collection and disposal, graffiti removal; Air quality and noise attenuation measures; Hazardous materials & spill events management; Storm water pollution controls.
- Employee compensation/benefit costs, including labor agreements and contract employee costs. Provide evidence of tentative agreement with labor groups, if applicable. Describe efforts to advertise jobs to Covina residents

4.2 Product Offering/Controls

- Inventory control and tracking system – including POS, procurement, track and trace software and integration of video surveillance systems in monitoring cannabis and non-cannabis products; Audits and/or best practices employed to effectively monitor inventories
- Stock room operations; Outdoor storage; Forklift operations;
- Method of record keeping and storage for cannabis and non-cannabis items
- On-Site Security measures during business hours; After hours security measures; Security Patrol services; Video surveillance (internal & external); Outdoor displays; Signage;

4.3 Market Assessment

- Assessment of proposed business' viability in the local and regional marketplace
- Description of operating efficiencies and/or strategies that will help business succeed

4.4 Financial Plan/Funding

- This section will provide the City with the general details of the proposed business model including type of business, hours of operation, all the types of products that will be proposed for sale, if deliveries are to be a part of the business plan and if so, how; and all other general aspects of the business and its operational goals.
- Pro forma for five (5) years of operation, including realistic revenue projections (supported by market analysis); capital liabilities/repayment terms, operating costs, projected cash flows and NPV/IRR for planning horizon.
- Proof of secured capital (bank account(s), letters of credit or other liquid assets belonging to owners) that will be adequately finance property site control, tenant improvements, operational activities, licensing/permitting and entitlement.

- Budgets for tenant improvements, capital equipment, labor, maintenance, utilities, insurance, financing costs, property costs and licenses/permits.
- Outline employee/benefit costs

4.5 Records Software

- Software systems that will be utilized to monitor inventories and types of products
- Software system's ability to manage financial data/statements and human resources functions
- Process for preparing financial statements and auditing process to ensure compliance with accepted practices

4.6 Track/Trace

- Familiarity with State track/trace system and movement of products through supply chain
- Production and distribution sources utilized in supply chain
- Software systems that will be used to manage track/trace system

4.7 State Testing Regulations

- Processes used to comply with State product testing procedures
- Packaging/labeling and quality control processes

4.8 Employee Training

- Training curriculum, frequencies and certifications that may be attained by employees

4.9 Customer Education

- Practices used to inform customer of product quality data and compliance with regulations
- Public health outreach strategies to inform customers of health risks and health-related resources pertaining to product use

4.10 Implementation Timeline

- Discuss business' ability to secure approvals from State/City, if awarded a local permit.
- Provide timeline to complete following processes: design/site review, conditional use permit preapplication, conditional use permit, business licensing, construction and business opening (typical City review time of **complete** applications is thirty (30) days for design/site review, sixty (60) days for conditional use permit preapplication, ninety (90) days for conditional use permit, thirty (30) days for plan check and seven (7) days for business license. These time thresholds are estimates of the City staff review time and will be based on the completeness of application materials, plans, business description, security plan, etc. submitted by the applicant. These time estimates do not reflect the time for applicants to prepare, submit, and revise the application documents.

4.11 Additional O&M requirements for cannabis microbusiness operations - Manufacturing:

All information required for a cannabis retail operation, if applicable; List of manufacturing processes proposed; Breakdown of business square footage (i.e. office, storage, manufacture, etc.); Method of record keeping and storage of all onsite business operations; List of materials required for manufacture process;

Additional special handling permits required; Hazardous chemicals information; Safety information pertaining to storage, handling, spill and safety; All site safety, security & surveillance protocols (interior and exterior); Air quality and noise attenuation measures; Shipping and receiving information; Loading and unloading plan; all other pertinent information regarding the manufacturing proposed.

4.12 Additional O&M requirements for cannabis microbusiness operations - Cultivation:

All information required for a cannabis retail operation, if applicable; List of cultivation processes proposed; Breakdown of business square footage (i.e. office, storage, grow room/area, etc.); Method of record keeping and storage of all onsite business operations; List of materials required for grow process; Air quality and noise attenuation measures; Additional special handling permits required; Hazardous chemicals information; Safety information pertaining to storage, handling, spill and safety; All site safety, security & surveillance protocols (interior and exterior); Shipping and receiving information; Loading and unloading plan; all other pertinent information regarding the manufacturing proposed.

4.13 Additional O&M requirements for cannabis microbusiness operations - Distribution:

All information required for a cannabis retail operation, if applicable; List of distribution processes and methods proposed; Breakdown of business square footage (i.e. office, storage, loading dock, shipping, receiving, etc.); Method of record keeping and storage of all onsite business operations; List of products proposed for business; Special handling or shipping permits required; Air quality and noise attenuation measures; Additional special handling permits required; Hazardous chemicals information; Safety information pertaining to storage, handling, spill and safety; All site safety, security & surveillance protocols (interior and exterior); Shipping and receiving information; Loading and unloading plan; all other pertinent information regarding the distribution proposed.

Section 5. Community Benefit

This section requires that the applicant and its owner(s) describe existing and/or proposed involvement in the Covina community. Provide information related to:

- History of involvement and activities, prior to January 1, 2023, participating in local groups, non-profit organizations or other efforts to improve the local economy or community well-being in Covina
- Describe proposed community involvement in local non-profit organizations, sponsored activities/events and/or other civic engagement that will be undertaken if awarded a local cannabis permit. Provide specific details of hours/activities to be completed by owners or employees
- Describe resources that may be distributed to local non-profit organizations and/or community programs
- Describe community and corporate citizenry programs that will provide value to the Covina community.

Section 6. Facility and Neighborhood Compatibility

This section requires that applicant describe its business establishment design, aesthetic appeal, integration with existing businesses/neighborhoods and its ability to enhance safety/security through design.

- Exterior Design
 - Provide conceptual designs, site plans, rendering or other proposed site amenities
 - Provide and describe sign package, branding other design elements for proposed business
 - Compliance with Covina Municipal Code 17.84.090 – signage standards. No depiction of cannabis or products or other advertising signage
 - Briefly describe design approach used in conceptual planning
- Design Neighborhood Fit
 - Describe business’ ability to manage operations and mitigate impacts to neighboring businesses and or immediate neighbors
 - Describe community relations approach and representatives that will interact with the neighborhood, including addressing complaints that may arise
 - Provide an assessment of parking and how adequate parking will be provided for customers and employees (Parking Study prepared by a registered traffic engineer may be required).
 - Include proactive measures that may be used to prevent parking overflow and/or parking in unauthorized locations.
 - Describe how business will manage pedestrian traffic, including intake and operational practices to limit line queues and crowds.
- Integration of Security Measures in Design
 - Describe security elements included in design that will enhance safety and security for the business and nearby neighborhood areas.
 - Compliance with Covina Municipal Code 17.84.070 - Lighting/after-hours security, panic buttons, alarm
 - Compliance with Covina Municipal Code 17.84.080 – no bars on window exteriors, required backup generator, exterior landscaping shall not allow for hiding in bushes and be well-maintained; install mosquito noise devices to deter vandalism/loitering
- Air Quality/Odor Control
 - Identify potential sources of odor and describe odor control devices and/or operating techniques that will be used to limit odors of cannabis beyond the business space.
 - Describe waste management plan, including disposal locations and process used to dispose of expired/rejected/unused products.

Section 7. Security Plan (Mark as Confidential, will not be made public pursuant to Government Code 7293.600 et seq.

This section requires that applicant describe its safety and security approach at the proposed location. Provide diagrams and/or specific details related to security measures and how they relate to the overall business operation.

7.1 Experience

- Security History at other Locations
 - Describe security history at other licensed cannabis establishments.
- Emergency Situations
 - Describe experience with potential emergency situations (criminal, fire, medical, hazardous materials) that could arise during the course of business.
 - List proposed contractors and describe the roles for any of the following:
 - Fire Prevention/Suppression

- Fire Alarm and Monitoring
 - Professional Security Service
- Facility Security
 - Describe vetting/background process used to hire security staff
 - If using a private security company, provide proof of a Covina Private Patrol Operator Permit (PPO) – note that this is different from State PPO Permits.
 - Compliance with Covina Municipal Code 17.84.070 - Lighting panic buttons, alarm, locked restrooms, prohibit resale and drive-through sales

7.2 Safety Education

- Describe employee training programs and processes related to security. Include any curriculum and/or training frequencies

7.3 Theft Reduction Measures

- Describe loss prevention measures and other practices to deter theft

7.4 Cash Management Plan

- Describe cash handling procedures, strategies to limit cash on hand at business and detailed plans for the safe handling/transfer of cash
- Describe off-hours cash security plans or procedures

7.5 Product Access Control

- Describe method for securing product access to minimize theft and/or limit unauthorized access to products

7.6 Delivery Security Plan

- Describe procedures to ensure employee, product and general public security during transportation and delivery
- Describe any monitoring programs used for delivery vehicles
- Describe vehicle safety practices and other monitoring tools to ensure proper licensing, registration and insurance of delivery vehicles.
- Provide any drug/alcohol screening tools used for delivery personnel

7.7 Security Guard Plan

- Describe security plan, including number of security personnel, shifts and related activities while on duty
- Describe training requirements and/or certifications required for security personnel

7.8 Video Surveillance Plan

- Describe compliance with Covina Municipal Code Section 17.84.080 requirements including having video surveillance 24 hours/day, HD quality, cover all interior spaces, maintain videos for 90 days, battery backup, dedicated security liaison

7.9 Armored Vehicle Use

- Describe use of armored transit for transporting products and/or money, if any

- Describe operating plans for the safe transfer of products/money between business and transport vehicles
- Describe training requirements and/or certifications required for transit personnel

7.10 Youth Consumption Plan

- Describe practices that will ensure the prohibition of youths at the business or will limit to product access to youths
- Describe health promotion efforts to educate the public of youth consumption prohibitions

Section 8. State License or Copy of Pending Application

This section requires a copy of the applicants State of California Cannabis License, or proof that the applicant is actively in the process of obtaining a State License.

PROPOSER INTERESTED IN MORE THAN ONE BUSINESS OPERATION

No individual or corporation will be allowed to make or file, or have a vested interest in more than one cannabis business license within the City.

ACCEPTANCE OR REJECTION OF PROPOSAL

The City reserves the right to accept, reject, or accept a portion of any and all proposals. The City also reserves the right to waive any informality or irregularity in any proposal or in the RFP as deemed to be in its best interest. Additionally, the City may, for any reason, decide not to award a Cannabis Business Permit or a CUP as a result of this RFP, or may cancel the RFP process at any time, without cause or notice. The City shall not be obligated to respond to any proposal submitted, nor be legally bound in any manner by the submission of a proposal.

LEGAL RESPONSIBILITIES

All proposals must be submitted, filed, made, and executed in accordance with this RFP. Any individual or company submitting a proposal will by such action thereby agree to each and all of the terms, conditions, provisions, and requirements set forth, contemplated, and referred to in the RFP, and to full compliance therewith.

DISCREPANCIES and MISUNDERSTANDINGS

Respondents to this RFP must satisfy themselves by personal examination of any and all applicable City Ordinances, Codes and Regulations, and any applicable State or Federal laws, Codes, and Regulations as they may believe necessary and applicable to the operation of a cannabis retail business or cannabis microbusiness. No Respondent will at any time after submission of a proposal make any claim or assertion that there was any misunderstanding or lack of information regarding the nature of the RFP process or the cannabis business regulations with the City of Covina. Any errors, omissions, or discrepancies called to the attention of the City will be clarified by the City in writing to all proposers prior to the submission of the proposals.

ATTACHMENTS:

Attachment 1 – Draft Development Agreement

Attachment 2 – Zoning Verification

Attachment 3 – Letter of Intent & Acknowledgements